COMMANDERS DIGEST

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WEARING IN—Maj. Gen. Kenneth G. Wickham, The Adjutant General of the Army (left), gives the oath to Gen. William C. Westmoreland as he is sworn in as Army Chief of Staff July 3.

Sec. Clifford Pledges Full Support Of DOD in Equal Employment Effort

Secretary of Defense Clark Clifford said July 1 he "shall spare no effort" to strengthen the individual freedom of opportunity.

In a memorandum to the one million civilian employees of the Defense Department he said: "I wish to reaffirm that the principle of equal employment opportunity without regard to race, creed, color, or national origin, must and will continue to command total support throughout the Department of Defense."

Mr. Clifford said significant progress has been made toward achieving fairer and more effective utilization of the many skills and talents of minority group civilian employees.

"We recognize, however, that more remains to be done," he added. "The high priority requirement for further progress in equal employment will have my personal and earnest attention."

The Secretary said Defense programs for equality in recruitment, career development, promotion, and in all other aspects of civilian employment must be characterized by positive, creative attitudes and actions.

"In carrying out our mission," he said, "we must strive also to strengthen the individual freedom of opportunity which in our society and in this Department is the entitlement of every member. I shall spare no effort in the attainment of this vital goal. I expect every official, supervisor and employee of this Department to do likewise."

SecDef Halts Reactivation of Sixth Infantry Div.

In an announcement July 2, Secretary of Defense Clark Clifford said he had decided not to reactivate the Army's Sixth Infantry Division.

The division, partially formed late last year, has its headquarters and two brigades at Fort Campbell, Ky. Another brigade is based at Schofield Barracks in Hawaii.

Mr. Clifford based part of his decision on his desire to increase the readiness of existing divisions in the continental United States. There were also major financial reasons, he said.

Citing an "austere" Defense budget, the Defense Secretary said, "I have come to the conclusion that it is advisable to bring four and one-third Army divisions in the active strategic reserve to a higher state of readiness promptly, rather than spread our resources over five divisions."

In dissolving the division, Mr. Clifford said the Fort Campbell-based units would be deactivated along with the brigade in Hawaii, except for five infantry battalions and one artillery battalion.

While the move will reduce the active Army strategic reserve by

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Commanders Digest for October 8, 1968 will be accompanied by an index of all issues from April 6 through September 28, 1968. The easily read index will be printed every six months and sent to all subscribers.—AFPS.

Development Concept Papers Described

Among the most recent additions to the Department of Defense's management tools is "The Development Concept Paper."

Assistant Secretary of Defense (Systems Analysis), Alain C. Enthoven said the goal of DCP "is to minimize tendencies to overstate expected performance or benefits and understate costs and risks merely to get a project under way."

Less than a year old, DCP documents the performance, cost, and schedule estimates, as well as the technical risks, which were the basis for the decision to start or continue a development program.

"We want to establish clearly for the record why a development program was started," the secretary stated, "what we hope to get out of it, and the key assumption underlying the decision."

He pointed out that DCPs do not represent an attempt to insist on precise analysis and completely accurate cost and schedule estimates. This is impossible in an area where large uncertainties are inherent.

Secretary Enthoven added, "Nor do we intend to avoid taking chances. Rather, we want to make clear from the outset, the expectations and judgments concerning the uncertainties, risks, and potential payoffs, and to document any disagreements about these expectations."

Secretary Enthoven explained the DCP process to members of the American Institute of Aeronautics and Astronautics and the Canadian Aeronautics and Space Institute in a speech at Montreal, July 8.

Another purpose of DCPs, the secretary explained is to provide thresholds in these estimates which, if exceeded, would call for a reconsideration of the project by the Secretary of Defense.

He said estimates in a DCP will be periodically updated, and the new estimates compared with the original estimates, so that the Secretary can see if expectations are being realized and if the reasons for continuing the project are still valid.

Dr. Alain C. Enthoven

"It is in meeting this purpose that the DCP serves as an important management control device and not merely a historical record," he said.

Mr. Enthoven stated that a third purpose of DCPs is to provide a means whereby the Secretary of Defense's staff and the Services can communicate with one another on projects of mutual interest.

He explained that if there are conflicting ideas about the potential usefulness of a proposed new weapon system, these disagreements are brought out into the open and discussed before a great deal of time and money have been spent and perhaps wasted. If there are alternative ways of meeting a projected need, these can also be discussed and compared and a rational allocation of development funds agreed upon.

Another DOD important management tool explained by the secretary consists of "Draft Presidential Memorandums" which have been used since 1961.

The first request by President Kennedy was a "white paper" on this country's nuclear strategy and forces.

He noted a growth in the number of DPMs, corresponding with the Defense Secretary's desire to have all major defense programs considered and analyzed as a whole.

There are now 16 DPMs covering broad, functional areas ranging from NATO to Tactical Air Forces to Anti-Submarine Warfare Forces to Research and Development.

Secretary Enthoven noted that as the number of DPMs increased and as they became recognized and accepted as the principal document for the Defense Secretary's decisions and policies, a workable system for processing the various drafts within the Department of Defense also had to be developed and formalized.

"The resulting DPM system that we have today," the secretary stated, "is a unique and highly effective management tool for dealing with controversial issues of military strategy and force planning."

Navy Accepts Delivery Of Last Polaris Missile

The last Polaris Fleet Ballistic Missile has been delivered to the Navy by the Lockheed Missiles & Space Co.

The final production line model was an A3, the most advanced of the three generations of underwater-launched missiles.

The company, which joined the Polaris program in 1956, will continue to provide product support and logistic services for the A3 missiles carried on 28 FBM submarines and the shorter-ranged A2 missiles on 13 FBM submarines.

Under a $1.23 billion contract, Lockheed will now shift to construction of the more powerful Poseidon missile which is to be operational in the early 1970's.

COMMANDERS DIGEST

THIS PUBLICATION CONTAINS OFFICIAL INFORMATION, NEWS AND POLICY, DIRECT FROM WASHINGTON AUTHORIZED SOURCES.

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Defense Satellite Communications System Moves Into New Phase

As the next phase of its Defense Satellite Communications System (DSCS), the Defense Department says it will develop and acquire new, synchronous communications satellites and terrestrial terminals.

The DSCS is designed to provide reliable worldwide circuits and long range circuits within a theater for transmitting military communications. The present system consists of 25 low power satellites in near synchronous equatorial orbit.

Procurement of the new satellites and development of the new terminal types will be initiated in Fiscal Year 1969, according to Dr. Gardiner L. Tucker, Deputy Director of Defense Research and Engineering (Electronics and Information Systems). In testimony before the House Military Operations Subcommittee he said, "It is expected that some of the new satellites will be placed in synchronous, equatorial orbit by late 1970 or early 1971."

Defense officials said the satellites will be equipped with "earth coverage" and "narrow beam" antennas. They said the earth coverage antenna will direct most of the satellite radiated power toward the earth, providing relatively uniform coverage. The narrow beam antennas will focus their radiated energy into a narrow beam which will illuminate an area on earth of one to two thousand miles in diameter. The narrow beam antennas will be steerable, allowing the beams to be directed toward any selected area of the earth visible to the satellite.

The satellites are to be positioned above the equator so that most of the earth's surface will be visible to at least one of the satellites at all times.

The program to establish the advanced system will be under the management direction of the Defense Communications Agency, which will also have operational over the system when it is established.

QUANTICO CHANGE OF COMMAND—Maj. Gen. Lewis J. Fields (right) accepts the colors of the Marine Corps Development and Education Command, Quantico, Va., from Lt. Gen. James M. Masters Sr. Lt. Col. David S. Tolle, parade adjutant, salutes the symbolic ceremony. Gen. Masters retired June 30 after more than 35 years service.

Defense Dept. Releases Statistics On Reserve Officers Training Corps.

More than 23,000 students at colleges and universities throughout the U. S. have received commissions as officers in the Armed Forces through the ROTC program during the 1968 academic year.

Defense Department said this figure includes a record of nearly 18,000 Army students, 1590 Naval ROTC graduates, and 3896 completing Air Force ROTC. The Marine Corps commissioned 182 officers, of which 177 were from the NROTC program and five were graduates of Army ROTC.

In January, 1968, Robert S. McNamara (then Secretary of Defense) said he estimated that approximately 263,000 students would be enrolled in ROTC courses in the 1968-69 school year.

At the same time he told the Senate Armed Services Committee there were 475 ROTC units at 329 colleges and universities in operation.

He said in order to increase the output of officers and to extend the opportunities for ROTC training, 15 more Army units were being created for FY 1968, and he proposed to establish 15 more units in FY 1969.

All ROTC programs enable the college man to simultaneously earn a degree in the field of his choice and a commission in the armed forces and then to fulfill his military obligation as an officer.

Many prospective officers attend colleges on full-tuition ROTC scholarships. All students receive an allowance of $50 a month during their junior and senior years of college.

In addition to providing a vital source of leadership for national defense, the ROTC program provides leadership training and experience. Also, it develops in college men personal qualities which increase their opportunities for employment and for management positions in their civilian professions.

GERMANY'S EASTERN POLICY—AND REUNIFICATION

On June 11 East Germany imposed drastic new restrictions on commerce and travel between West Germany and Berlin. In an address following this development U.S. Ambassador-at-Large George C. McGhee pointed out that although German reunification had thus received a severe setback, West Germany and the Allies should not be overly discouraged, since there are powerful forces running in favor of German unity. Below are excerpts from his address.

The Kiesinger government [of West Germany] was, as you know, formed in December of 1966. It is a remarkably representative government—in that it speaks for 80 to 90 percent of all German voters. In the persons of the Chancellor and the Vice Chancellor and the other Ministers, representing as they do the two largest democratic parties of Germany, it reflects the major tendencies in German politics. As a result, the government has been able to pursue a confident and independent course.

Building on the achievements of previous governments, it has made very considerable progress in reestablishing respect for Germany around the world, in creating political stability within a democratic framework and in the development of a sound economy with a healthy rate of economic growth. As an important aspect of its over-all foreign relations the Kiesinger government has pursued a particularly vigorous Eastern policy, within whose framework it has placed in the forefront that most difficult of German problems—how to make progress toward reunification.

West German Policy: Détente

You are, I am sure, generally familiar with the broad lines of [West] German Eastern policy. An attempt has been made, *first*, to give more substance to the relations between Germany and the states of Eastern Europe; *second*, to improve bilateral relations with the Soviet Union and *third*, to make clear a willingness to improve relations with the people of East Germany—short of formal recognition of East Germany as a separate German state.

German policy renounces, of course, any use of force in the achievement of these objectives.

Now, no one in Bonn believes that these efforts will succeed in unifying the German people under one flag in any short period of time. Rather, German Eastern policy is designed to eliminate fears and suspicions and to gain the confidence of the peoples of Eastern Europe, with the hope that this will induce changes in their basic attitude toward Germany. It is based on the conviction that the development of a détente between the peoples of East and Western Europe provides the main hope of achieving reunification in Germany.

So far, German Eastern policy . . . has achieved some success. Diplomatic relations have been established with Romania and Yugoslavia, trade missions with Czechoslovakia, and the longer term outlook for formal relations with certain other countries of Eastern Europe is not unpromising. German-Polish relations remain, however, a special and difficult problem.

[Recently] there has been an increased probing and testing of the limits of this policy. German leaders have made personal visits to Eastern European countries. Talks have been held both in Bonn and Moscow with Soviet officials. Chancellor Kiesinger has exchanged letters with German Democratic Republic Chairman Stoph. Indeed, attempts have been made to reach some level of understanding across the whole spectrum of government and private activities.

The U.S. Government has followed these German moves with great interest. We have found German objectives in the East to be entirely consistent with those [major U.S. policy objectives] which we, under considerable handicap, are attempting to carry out.

Attitude of the USSR

Despite [West] German efforts, the Soviet Union remains a particularly unwilling negotiating partner for the Federal Republic of Germany. Although the Soviets have not rejected Foreign Minister Willy Brandt's offer of Renunciation of Force Agreements, they have up to now not shown any serious interest in substantial improvement in their relations with the Federal Republic. The Federal Republic is represented to the Russian people as the "Germany" of the last war—which is still an emotional issue for the present adult Russian generation.

It also appears to remain a matter of Soviet policy to use the German bogey as an effective means of keeping their neighbors in line. The Russians like the status quo. They would not wish to sanction any move that would

cause communism to appear to be an ebbing tide. They may be able to control East German leader Walter Ulbricht—but not an All-German government.

Perhaps equally important, East Germany, as the second largest industrial state in the Bloc, continues to provide important economic advantages which could disappear with an end to Soviet control. It also provides a base for 22 Soviet divisions in the heart of Europe—a great tactical military advantage.

East German Goal: Recognition

As you know, the German program to achieve reunification has encountered the greatest resistance from East Germany—from Ulbricht. This, of course, is not surprising. Just now we have further evidence of the East German drive to force the Federal Republic of Germany to recognize the German Democratic Republic. Indeed, this is the clear purpose of the East German restrictions on German travel and commerce between Berlin and [West] Germany announced on June 11. While this may look to some observers as another milestone in accomplishing Ulbricht's objectives, one can also view these moves as gestures of desperation.

At a time when their neighbors are asserting their own national personalities, distinct from each other and from the USSR, the East German regime alone retains the institutions and usages of the past, virtually intact. Presumably the unpopular Ulbricht and his unrepresentative party fear to do otherwise—knowing as they do that their security and power remain completely dependent on Soviet support. Ulbricht runs with ever greater frequency to plead for Soviet support of his measures. In the final analysis, however, the German people—in East Germany as well as in the West—will decide what kind of Germany they will have.

In the absence of any real progress toward reunification, the question is sometimes raised as to whether the people of Germany really want to be reunited. West Germans can speak for themselves—and in one voice they say that they do. The voice of East Germany, however, is muted.

The Future of Central Europe

There is no reason to expect, on the other hand, that the people living in East Germany—who are normal Germans—would choose of their own free will to be separated from their fellow Germans, as they are by the inhuman "Berlin Wall." Indeed, they are "fenced in" from virtually all contact with the free world—by a regime which is not of their own choosing.

From this short review we can conclude that a start to a healing of the wounds of Central Europe—which could lead to German reunification—has been made, but that the road ahead is long and rocky. The [West] Germans know this. Their policies are based on the following considerations:

1. The [West] Germans want to maintain the ties between the German peoples on both sides of the demarcation line. Their efforts toward East Germany focus on maintaining the hopes of Germans on both sides of the line to reunite. . . . Increased human and media contact seem to be the principal means available for the moment.

2. The East, as well as the West, must somehow be brought to agree that Germany should be reunited. What the [West] Germans therefore want is a clear understanding that European stability is in everyone's interest, and that it will be impossible to achieve as long as the continent is divided down the middle.

U.S. Policy Toward Reunification

How does the United States fit in? I have often been asked: "What is the American policy toward reunification?" The answer is clear—we are for it. This is our "real"—as well as our formal position. Americans are not capable of deceit in such a matter.

First of all we are not content with the division of Germany. We do not believe that the two parts of Germany will, because a different social system is imposed in the East, gradually grow apart. We hold that in the long run a divided nation in the heart of Europe is detrimental to security and stability.

German reunification is a German problem, in the sense that it is their country that is divided. It is a European problem because it reflects the division of the continent, a division implying awesome dangers to all Europeans. It is an American problem insofar as we, along with the British and French and Soviets, continue to bear responsibility for a Peace Treaty for Germany as one of the signatories at Potsdam. It is a world problem in that the seeds of global instability—even of another world war—are implicit there.

No sensible German politician has a timetable for reunification, any more than we have. We can, however, speculate that the world of 1978 will be very different from the world of today, just as the world has changed from 1958. There will be new opportunities for change. In the meantime the Germans will, I am sure, continue with patience their present policies toward the East, taking advantage of their opportunities as they arise. As they do we owe them, I believe, our sympathy, our understanding, and where necessary, our firm support.

RAdm. Haddock Issues DSA Progress Report

The Defense Supply Agency currently manages 1.7 million items, representing 43 per cent of all items used in the Department of Defense.

In addition, members of Congress were told DSA will have assumed complete civil agency support for packaged fuels in January 1969, for electronics in June 1969, and for bulk liquid fuels and coal items in November 1969.

That information, released July 2, was included in a statement by Rear Adm. Ira F. Haddock, USN, Assistant Director, Plans, Programs and Systems, DSA, to the Military Operations Subcommittee of the House Committee on Government Operations.

RAdm. Ira F. Haddock

In his opening remarks, Admiral Haddock noted that DSA was established in October 1961 and became operational in January 1962.

Since that time DSA has worked toward improved efficiency of its support to the military services. It has, for example:

1—Reduced the number of supply centers, or inventory control points, by consolidating in July 1965 the management functions for the commodities of clothing and textiles, subsistence and medical supplies and materiel into a single center, the Defense Personnel Support Center at Philadelphia.

2—Consolidated the former Army and Marine Corps clothing factories.

3—Reduced the number of activities storing DSA-managed materiel from 77 to 21.

4—Reduced from 34 to 10 the number of consolidated surplus sales offices.

5—Reduced from 10 to 8 the number of Subsistence Regional Headquarters.

As a result of these organizational adjustments, the principal elements of the DSA organization today are:

1—The Headquarters at Cameron Station, Alexandria, Va.

2—Six supply centers: the Personnel Support Center, Philadelphia; the Construction Supply Center, Columbus, Ohio; the Electronics Supply Center, Dayton, Ohio; the Fuel Supply Center, Alexandria, Va.; the Industrial Supply Center, Philadelphia, and the General Supply Center, Richmond, Va.

3—Four principal depots located at Mechanicsburg, Pa.; Memphis, Tenn.; Ogden, Utah, and Tracy, Calif.

4—Four service centers: the Administrative Support Center, Alexandria, Va.; the Logistics Services Center, Battle Creek, Mich.; the Documentation Center, Alexandria, Va.; and the Industrial Plant Equipment Center, Memphis, Tenn.

5—Eleven contract administration services regions located at Atlanta, Boston, Chicago, Cleveland, Dallas, Detroit, Los Angeles, New York, Philadelphia, San Francisco, and St. Louis.

All of these activities, plus other smaller units and offices of DSA's field establishment, carry out its current three-part mission of:

1—Management and distribution of designated items of supply.

2—Provision of contract administration services.

3—Administration or management of designated DOD-wide logistics services and programs.

DSA employs 59 thousand military and fulltime and temporary civilian personnel. Admiral Haddock said high level activity of DSA operations for FY 1968 are:

1—DSA inventory is valued at $3.1 billion.

2—Procurement awards will reach slightly more than $5.1 billion.

3—DSA will have processed 20.7 million requisitions for the items stocked.

4—DSA supply depot facilities will have received and shipped about three million tons of materiel.

5—Contract Administration Services is currently administering some 270,000 prime and secondary contracts and projecting an increase to 293,000 contracts in FY 1969.

6—The value of materiel inspected and released for shipment by Contract Administration Services organization is expected to reach $21.8 billion.

7—Some 2.3 million contractor invoices will have been processed for payment.

Admiral Haddock gave Congress this report on DSA support in several commodity areas in Southeast Asia:

Food: Support was described as universally excellent. According to those on the scene, our servicemen are receiving the finest food support ever. Even front line troops, for the most part, are receiving hot meals with fresh meats and produce.

Clothing: Support was reported as generally good, although there are some shortages in some sizes of clothing items such as armored vests. The wear-out rate for the tropical combat boots and uniforms continues high.

Medical: Support was excellent.

Fuel: Support also was described as excellent, with no significant supply problems being experienced.

Electronics: Support was rated as excellent.

Construction: Support for supplies and equipment is considered good.

Industrial materiel and general supplies: Considered good with only a few scattered spare parts problems.

Fortification Materiel: Sandbags, concertina and barbed wire requirements continue high and while DSA is able to keep abreast of demands from Vietnam, special attention is required constantly to assure continued flow from industry.

AFSC Commander Describes Progress Of Manned Orbiting Lab Program

The bulk of the basic technology is in hand for a first-generation, long life, multi-manned vehicle, according to Gen. James Ferguson, Commander of the Air Force Systems Command. In addition he said, "such a station could be operational in the mid-70s."

Addressing a Symposium on Bioastronautics and Space June 25 at San Antonio, Tex., Gen. Ferguson noted, however, that "the cost of such a station could run to several billion dollars, an amount that might be difficult to justify under present circumstances."

At the same time the general sees indications that such justification will come and that the combined national needs for a laboratory capitalizing on all features of the space environment will be sufficient to win support for the program.

He then asked the question: "Why do I say this?"

Explaining, Gen. Ferguson said: "The feeling is partly intuitive and based partly on the experience of the last 10 years. The applications for earth satellites already far exceed our earlier expectations, and more uses are being identified every day.

"Rapid progress in electronics and in the miniaturization of components has revolutionized our thinking in terms of functions. The ability to predict with remarkable accuracy the lifetimes of component parts has given us a new concept of reliability and made multiple-purpose satellites (among other things) economically attractive."

General Ferguson said "there are good reasons today" to feel that the classic picture of space—one in which man plays a central role—need not be abandoned, or even significantly slowed.

But he admitted "we are not ready yet to boast about the "conquest" of space, for conquest connotes mastery and we can't presume to that status until man is operationally secure in space." But neither are we ready to surrender the toe-hold we have, or rest on our laurels, he added.

Gen. James Ferguson

"There has, perhaps, been more progress toward the design, development and justification of manned orbiting space stations than appears on the surface." In fact, he said, we have in hand "the beginnings of a sound technological base for the realization of extended-life stations."

Discussing Air Force objectives, Gen. Ferguson said "the Air Force Manned Orbiting Laboratory, now under development for flight in the early 1970s, will provide an operational testbed for the development of equipment for use in both manned and unmanned military space projects."

He said that in addition to this, "it will provide empirical 'cost-effectiveness' and technical data on the ability of man to perform militarily useful tasks in space."

The basic MOL, Gen. Ferguson explained, is a two-man space station made up of Gemini B, a Laboratory Module and an Experiment Module. The system is designed typically for 30-day orbital missions and will be placed in orbit by the Titan IIIM launch vehicle.

Human Resources Lab Created at Brooks AFB

Air Force Systems Command (AFSC) has established an Air Force Human Resources Laboratory (AFHRL) at Brooks AFB, Tex., which is expected to become the focal point for Air Force research and development effort to satisfy technology needs in human resources education, training and management.

AFHRL will also provide technical and management assistance in support of studies, analyses, development planning activities, acquisition, test evaluation, modification or operation of aerospace systems and related eqiupment.

Organizationally, the AFHRL will be directly subordinate to Headquarters AFSC. It will join eight other laboratories under the supervision of Brig. Gen. Raymond A. Gilbert, Director of Laboratories for the Systems Command.

Among the first acts of the new laboratory, the Air Force said, will be the establishment of training research detachments at one or more of the Air Training Command's pilot training schools and technical training centers.

Sixth Infantry Div.

(Continued from Page 1)

two-thirds of a division, Mr. Clifford said the total authorized strength of the active Army remains at 19 and two-thirds divisions.

In the same announcement, Mr. Clifford said an airborne brigade will be activated at Fort Bragg, and that he had authorized the Army to raise the manning level of some units.

The new airborne brigade will replace the brigade of the 82nd Airborne Division deployed to South Vietnam last February on short notice.

The increase in manning levels will boost the strength of the Fifth Infantry Division (-), the 69th Infantry Brigade and the 29th Infantry Brigade based in Hawaii.

The increases will add about 2,000 men to the units, bringing them to 100 percent strength.

DOD Institutes New Operating Budget System

On July 1, the Department of Defense began using a new operating budget system that will extend from the Office of the Secretary of Defense to the lowest level operating manager —the commander.

Called Project Prime 69, the overall objective is to encourage managers to use their resources to attain maximum output for resources consumed.

In a primer on the project, DOD said the long-range goal of Prime 69 is to charge an organization unit with 100 percent of the measurable expenses that it incurs.

Project Prime is concerned with operating resources, as contrasted with investment resources. It has to do primarily with resources that are financed under the Operation and Maintenance and Military Personnel appropriations, not with the Procurement, Construction or RDT&E appropriations.

It is designed to make financial management of operations consistent with the Five Year Defense Program.

The project will start to achieve consistency in programming, budgeting and accounting.

The DOD primer points out that management process changes included in Project Prime should give a manager a much better basis from which to make budget estimates.

Most important among the changes is the inclusion of the *full* measurable *cost* of operating activities in the operating expense budget.

The primer explains, "Now the manager will know just what it costs to operate his activity, and will be able to measure the program effects of an increase or decrease in his level of activity. This should assist him in deciding to expand or contract his effort, and in supporting those decisions quantitatively. Budget justification should become easier for the manager and the budget examiner should find the budget request more realistic and comprehensible."

The accounting system under Project Prime requires four major changes:

- Purify Appropriations: Appropriations have been purified so that in general, operating resources are found in the operating appropriations, and capital resources in the procurement and construction appropriations. To associate *all* expense items with operating appropriations, thousands of consumables are being shifted from continuing appropriations to operations appropriations. (This has already been started, as part of the 1969 President's Budget, but will take several years for completion.)
- Charge Military Personnel Costs: Military personnel costs are being charged to the using activity. To simplify accounting problems, standard charges will be made for each rank and grade. Organization units will budget and account for all military members.
- Extend Use of Working Capital: Stock and industrial funds are being extended to cover consumables in the operations appropriations. Holding these items in suspense until time of consumption will permit association of costs with the using activity, at the time of actual use.
- Revise the Basic Account Structure: The various "pieces" of the account structure will interlock, providing uniformity.

The account structure consists of three categories: 1100 program elements; 13 functional categories; 18 expense elements.

Under program elements, an example of "Who is consuming the resources?" lists F-111 squadrons and base operations. The 13 functional categories area asks, "Why are the resources being consumed?" and lists as examples: Operation of utilities and medical operations. "What kinds of resources are being consumed?" is asked under the 18 Expense Elements category. Examples are military personnel and civilian personnel.

The primer states that tests results have been encouraging. Information produced by the system has already proven useful to management.

"Field commanders are pleased with the system," the primer adds.

During development and testing phases of Project Prime the General Accounting Office and the Bureau of Budget provided substantial counsel and assistance.

As for participation by the military departments, a test of the basic concept was conducted at an Army, Navy and Air Force installation in Fiscal Year 1967.

In FY68, these tests were extended to major components in each of the Services:

- Army—Sixth Army
- Navy—Naval Air Training Command
- Marine Corps—Development and Education Command
- Air Force—Air Training Command

Prime 69, the primer states, is designed to help the operating manager, the man who actually gets the job done. Also, Prime 69 will provide more comprehensive resource information . . . "and perhaps lead to a greater degree of local control."

PROMOTED—The Navy's task force in the Tonkin Gulf became a three-star command July 3 with the promotion of RAdm. Ralph W. Cousins, Commander Task Force 77, to the rank of vice admiral. The task force, consisting of five attack carriers, 25 cruisers and destroyers and more than 30,000 men, conducts the Navy air war and gunfire interdiction campaign against North Vietnam.

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